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January 10, 2022

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Via CMRRR#: 7013 1710 0001 3126 1929

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Via CMRRR#: 7013 1710 0001 3126 1912

RE: Cause No.: 0-10-498 Rippy Oil Company et al vs. Knight Oil Tools Inc. et al. In the 278<sup>th</sup> Judicial District Court of Leon County, Texas

Cause No.: 2021-83799; Rippy Oil Company vs. ACE American Insurance Company, et al; In the 133<sup>rd</sup> Judicial District Court of Harris County, Texas.

To Whom It May Concern:

As you know the undersigned represents Rippy Oil Company and its working interest owners (Rippy Oil).

Attached please find a copy of the Final Judgment entered by the trial court in favor of my client Rippy Oil against Knight Oil Tools Inc. (KOT) in the above referenced lawsuit. The trial court's Final Judgment was affirmed by the Waco Court of Appeals on November 10, 2021. To date the Judgment has not been superseded and remains unsatisfied.

Rippy Oil, as judgment creditor of judgment debtor and named insured KOT, and as third-party beneficiary under the ACE and AIG policies, hereby demands full payment of the Final Judgment in the amount of \$5,538,643.13; plus pre-judgment interest awarded by the trial court in the amount of \$2,335,335.38 through June 3, 2018; plus post-judgment interest compounded annually through January 10, 2022 in the amount of \$1,514,590.22; for a total amount under the final judgment of \$9,388,568.73 together with taxable court costs in the trial court and on appeal. Post-judgment interest of 5% compounded annually will continue to accrue



January 10, 2022

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on the final judgment at the rate of \$1,248.65 per day for the remainder of 2022 until the final judgment is paid if paid in 2022.

Failure to supersede or pay the Final Judgment and AIG's recent filing of a declaratory judgment action against KOT in the Federal District Court of the Western District, Lafayette Division seeking a finding of no coverage for the final judgment, has forced Rippy Oil to retain attorneys to protect its rights to satisfy its final judgment from ACE and AIG and the ACE and AIG policy proceeds.

In the event that the Final Judgment is not satisfied in full by ACE paying its policy limits including any supplemental limits and AIG paying the remaining amount owed within 30 days of the date of this letter, Rippy Oil will seek to recover from ACE and AIG reasonable and necessary attorney's fees pursuant to Section 37.009 and Sections 38.001-38.006 of the Texas Civil Practice and Remedies Code and Chapters 541 and 542 of the Texas Insurance Code in addition to the full amount of the Final Judgment together with additional damages and penalties as applicable under Chapters 541 and 542 of the Texas Insurance Code; pre-judgment and post-judgment interest permitted by law; and taxable court cost.

If you have any questions or comments, please don't hesitate to contact me.

Very truly yours,



Kenneth Tekell, Sr.

cc:

Mr. Robert I. Siegel  
Mr. Allistair M. Ward  
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FILED  
BEVERLY WILSON, DISTRICT CLERK  
LEON COUNTY, TEXAS  
06-04-18  
JUN 04 2018

CAUSE NO. O-10-498

BY H. Ballard

RIPPY OIL COMPANY, RIPPY  
INTEREST LLC, THE GENECOV  
GROUP, INC., AND JOHN D.  
PROCTOR,

*Plaintiffs,*

VS.

KNIGHT OIL TOOLS, INC. AND  
PIONEER DRILLING COMPANY,  
*Defendants.*

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IN THE DISTRICT COURT OF

LEON COUNTY, TEXAS

278TH JUDICIAL DISTRICT

### FINAL JUDGMENT

BE IT REMEMBERED that on the 1st day of May 2018, came on to be heard the above-entitled and numbered cause for trial, with due and proper notice to all parties, and came Plaintiff Rippy Oil Company ("Plaintiff"), by and through its attorneys of record, and announced ready for trial, and came Defendants Knight Oil Tool, Inc. and Pioneer Drilling Co., by and through their attorneys of record, and announced ready for trial.

A jury of twelve (12) good and lawful citizens of Leon County was duly qualified, selected, impaneled, and sworn. The case proceeded to trial and the parties presented their evidence.

At the conclusion of the evidence, the Court submitted the questions of fact to the jury. The jury returned and announced its verdict in open Court in the presence of the parties and their counsel. The verdict was by ten jurors who together concurred in and agreed to the answers to all required questions and who signed their names to the verdict. There being no objection, the Court thereafter accepted the verdict and ordered same duly filed. The charge of the Court and the verdict of the jury are incorporated herein for all purposes by reference.

Based on the pleadings, the evidence, the jury verdict, and the stipulations of the parties, the Court finds that Plaintiff is entitled to recover from Defendant Knight Oil Tools, Inc. as follows.

It is ORDERED, ADJUDGED and DECREED that Plaintiff Rippy Oil Company have and recover \$5,900,000.00 in past damages from Defendant Knight Oil Tools, Inc., less the amount of Defendant Knight Oil Tools' counterclaim of \$361,356.87, for a net recovery of \$5,538,643.13. Additionally, the Court awards prejudgment interest on these past damages in the amount of \$2,056,885.14 through June 1, 2017 and an additional \$758.72 per day until the day before this final judgment is signed.

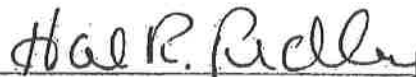
IT IS FURTHER ORDERED that this judgment will bear interest at the rate of 5.00%, compounded annually, from the date of this judgment until paid.

All costs of court spent or incurred in this cause are adjudged against Defendant.

All writs and processes for the enforcement and collection of this judgment or court costs may issue as necessary. All relief requested in this case and not expressly granted is denied.

This judgment finally disposes of all parties and claims and is appealable.

SIGNED this 4 day of June 2018.

  
THE HONORABLE HAL R. RIDLEY  
JUDGE PRESIDING

**APPROVED AS TO SUBSTANCE AND FORM:**

**LAW OFFICE OF KENNETH TEKELL, SR. PLLC**

**HERRICK & ASSOCIATES, P.C.**

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